


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## Abstract

It is widely believed that central bank independence (CBI) affects both the output and the unemployment costs of disinflation. Because central banks control only monetary policy, they should not exert a differential effect on the two ratios, and there should be a positive relationship between independence and both the unemployment and the output costs of disinflations. Second, by including a range of potentially significant political and institutional controls, the author demonstrates both the importance of political and institutional determinants of the costs of disinflation and that CBI is a robust predictor of those costs.



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